

Welcome!

2007 Health Insurance Spring Training
for
Insurance Coordinators

Please sign in...



Discussion Topics

- Overview of Health Plans and Benefits
- Qualifying Events
- Web Enrollment System
- Wellness
- Leaves of Absence
- Third Party Administrator (TPA)
- Pharmacy Benefit Administrator (PBA)
- Health Insurance Portability & Accountability Act (HIPAA)
- COBRA
- Reminders
- DEI Contact Information



Health Plans and Benefits

- Commonwealth Enhanced and Commonwealth Premier
 - PPO plans
 - Have a deductible and a maximum out of pocket
 - Services are subject to co-payments and/or co-insurance
 - Examples:

Subject to co-payments

Doctor visits
Prescriptions
Tests (Dr's office)
Emergency room

Subject to co-insurance

Surgeries, etc.
Tests (separate facility)
Emergency room



Health Plans and Benefits

- Commonwealth Essential
 - PPO plan
 - Has a deductible and a maximum out of pocket
 - There are no co-payments
 - All services are subject to co-insurance, except for:
 - Emergency room visits (subject to co-pay and co-insurance)
 - Preventive services (paid at 100%)



Health Plans and Benefits

- Commonwealth Select
 - PPO plan
 - High Deductible Health Plan (HDHP)
 - Has a deductible and a maximum out of pocket
 - There are no co-payments
 - All services are subject to co-insurance, including prescription drugs
 - Embedded HRA
 - Single level - \$1000
 - Parent Plus and couple levels - \$1500
 - Family level - \$2000
 - Can be used to reduce deductible
 - Unused money carries to next year*
 - Dental & vision cannot be used toward deductible

* Subject to specific requirements



Health Plans and Benefits

- Waiver (stand-alone HRA)
 - \$2100 annual employer contribution*
 - Employer contribution only
 - Unused money carries to next year**
 - Can be used for:
 - OTC drugs
 - Co-pays
 - Deductibles
 - Eye glasses
 - Dental services, etc.

* For participating agencies

** Subject to specific requirements



Health Plans and Benefits

- Flexible Spending Accounts (FSA)
 - Health Care FSA
 - Employee contributions only
 - Unused money is forfeited and does not carry over like the HRA
 - \$5000 annual maximum contribution
 - Pre-tax benefit that can be used for:
 - OTC drugs
 - Co-pays
 - Deductibles
 - Eye glasses
 - Dental services



Health Plans and Benefits

- Dependent Care FSA
 - Pre tax benefit that can be used for:
 - Day care services by a licensed provider
 - Some adult day care services
 - Maximum employee contribution based on tax filing status
 - Single and head of household \$5000
 - Married filing separately \$2500
 - Married filing jointly \$5000



Qualifying Events



Qualifying Events

- There are two qualifying events that do not allow redirection of the HRA contribution
 - Judgment, Decree or Administrative order
 - Different open enrollment after 1/1 and prior to DEI's open enrollment
- All other qualifying events allow redirection
- No qualifying event allows redirection of employer contribution from insurance to HRA

Qualifying Events

- Members may elect a waiver with HRA during plan year if:
 - New employee
 - Different open enrollment (must occur between DEI's open enrollment and 12/31)
 - Returning from military leave (if covered with Tricare)



Qualifying Events

- Qualifying events go through auditing process
 - Process takes no more than three weeks
 - 100% of QEs are audited
 - If errors are found before three weeks, corrective action is taken and an automated email is generated
 - If errors are found after three weeks, corrective action is taken as follows:
 - Letter mailed to member
 - Letter mailed to coordinator
 - Letter contains explanation for the corrective action



Qualifying Events

- Encourage employees to complete and sign add form, drop form, or application within 30 days
 - If supporting documentation is needed, do not wait until it is available
 - Form/application will be pended until supporting documentation is received by DEI



Web Enrollment System



Web Enrollment System

- <https://openenroll.ky.gov> to access “Your KEHP Online Access”
- <http://personnel.ky.gov/benefits/dei/07planyear/webenrollment.htm> to access employee and administrator web enrollment instructions



Web Enrollment System

- Login and welcome screens
 - Currently, the log in screen is presented after the welcome screen
 - Effective July 1, 2007, the log in screen will be presented before the welcome screen
 - The welcome screen will contain information pertaining specifically to the user type (member, insurance coordinator, or billing officer)



Web Enrollment System

- Termination screen
 - Used to terminate benefits for employees who have **terminated employment** (not for transfers, retirement, leaves of absence, or death)
 - Additional features effective July 1, 2007
 - Layout will change, but purpose will not
 - Termination instructions will be displayed on the left of the screen
 - Ceridian general information will be displayed on the right of the screen



Web Enrollment System

- Insurance coordinator web functions
 - Change demographics
 - Your own information
 - Your employees' information
 - Add new employees
 - Enter employee's SSN, name, DOB, company number and hire date only (called the "new employee shell")
 - Enter the shell and all demographic information
 - Enter the above and enrollment information (must have an application from the employee which is signed and dated within the deadline)



Web Enrollment System

- Terminate coverage
 - Enter terminations of employment only
 - Do not enter terminations on the web for the following:
 - Employees enrolled in a cross-reference payment option*
 - Employees that are transferring*
 - Employees that are beginning a leave of absence*
 - Employees that are retiring*
 - Death*

**** These cases must be reported to DEI using an update form***



Web Enrollment System

- Correcting a termination date
 - Complete update form with the correct date
 - Mark the form as “Correction”
 - Mail to DEI
- Generate Reports
 - The reporting module is available but undergoing revisions
 - Limited capability to separate active and terminated records
 - Currently in use to run very simple queries, such as:
 - Last name search
 - Overall company listing (lists coverage and waivers)



Wellness



Wellness

<http://personnel.ky.gov/wellness/>

<http://gethealthy.ky.gov/>

- Smoking Cessation
 - Cooper Clayton
 - Local health departments
 - Kentucky Tobacco Quit Line
 - 800-784-8669 or 1-800-QUITNOW
 - 12 week classes
 - \$5.00 co-pay for 2 week supply of NRT



Wellness

- Weight Management Program called *Why Weight Kentucky*
 - Excessive weight is the 2nd leading cause of preventable disease in the U.S.
 - Kentucky ranks 5th in obesity
 - Why Weight Kentucky is part of Informed Care Management (ICM)
 - Free program
 - Offers access to dedicated Nurse Care Manager
 - Member must be enrolled in program if currently taking or wish to take weight loss medications



Wellness

- Maternity Program
 - Through Active Health
 - Health coach called Nurse Care Manager
 - Helps develop a health plan for mom and baby
 - Helps prepare questions for doctor visits
- Personal Health Analysis (PHA)
 - www.humana.com
 - Very secure
 - Strictly confidential
 - Excellent resource for members
 - Strictly voluntary
 - Must be enrolled in health insurance plan, HRA or FSA



Leaves of Absence



Leaves of Absence

- Types of Leave
 - Leave Without Pay (LWOP)
 - Paid Leave
 - Military Leave
 - Family Medical Leave Act (FMLA)

Leaves of Absence

- Leave Without Pay
 - If employees are on LWOP and they receive pay the month leave begins
 - the state contribution amount will be credited toward the health insurance premium
 - If employees are on LWOP and they do not receive pay during the month
 - they will not be eligible for the employer health insurance contribution for the following month

Leaves of Absence

- Premium must be received by the 20th of the month
- If employee fails to submit premiums due by the deadline, the TPA may cancel the entire policy; if so, request a refund for any employer contribution
- Employees must work at least one day in the month they return to work to be eligible for the state contribution for the following month



Leaves of Absence

- Paid Leave
 - An employee who has worked or been on paid leave (annual, sick, or compensatory time) for at least one day during a month will be eligible for the state contribution for the following month



Leaves of Absence

- Military Leave

- When employees are called to active duty they may choose to either:
 - Stop their health insurance coverage under the state group and be covered under Tricare, or
 - Keep their coverage under the state group plan along with their Tricare coverage
- When employees return from military leave, they will have all benefits reinstated upon return effective the day they return



Leaves of Absence

- Family Medical Leave Act of 1993 (FMLA)
 - Requires employers to allow eligible employees to take an unpaid, job-protected leave for certain family and medical events
 - Employers must maintain any “group health plan” under the same conditions as if the employee had continued employment during the leave
 - FMLA is not an employee benefit; it’s an entitlement
 - FMLA is not a qualifying event that would permit an employee to make a mid-year election change
 - FMLA is available on an annual basis



Leaves of Absence

- Employer must provide payment options for the employee during the leave. Those options are:
 - Pre-pay: employees may pay for benefits up front at the beginning of the leave
 - Pay-as-you-go: employees may pay for benefits on a month by month basis
 - Catch-up: employees may pay for benefits upon return to work. The employee and the employer must have this agreement before the leave begins
 - Waive: employees may cease benefits during the leave and then reinstate upon return



Third Party Administrator (TPA)
and
Pharmacy Benefit Administrator (PBA)



Third Party Administrator

Humana

- Contact information
 - 877-597-7474 (877-KYSPIRIT)
 - Secure Web site: <http://kyhealthplan.humana.com> or www.humana.com
- Web site contains:
 - Forms
 - Reference guides
 - Personal Health Assessment (PHA)
 - Provider information



Pharmacy Benefit Administrator

Express Scripts, Inc. (ESI)

- Contact information
 - 877-597-7474 (877-KYSPIRIT)
 - Secure Web site www.express-scripts.com
- Use Web site to:
 - Order prescriptions
 - Order refills
 - Track your order
 - Check the prescription refill balance
 - Check prices
 - Print listing of filled prescriptions
 - Print coupons for in-store purchases



Pharmacy Benefit Administrator

- Change in the mail order benefit effective 1/1/07
 - Previously needed three 30-day fills to qualify for mail order (or via participating retail pharmacy)
 - Changed to one 30-day fill to qualify
- The mail order benefit requirement must start again if member has not filled the prescription in over 180 days
- First Data Bank determines which medications are considered maintenance drugs



Health Insurance Portability and Accountability Act (HIPAA)



HIPAA

- Personal Health Information (PHI)
 - Complete name
 - Social security number
 - Anything that can identify an individual
- Need for secure email communications
 - The internet is not secure
 - There are now federal laws that require holders of ePHI to protect data from unauthorized users
 - Encrypted data can be sent into un-secure environment

HIPAA

- Email encryption software
 - The Commonwealth uses *Entrust*
 - The DEI has emailed instructions to the ICs about setting up an encrypted email account (from robertL.murphy@ky.gov)
 - Response to the email is needed by May 10th
 - Send email response to robertL.murphy@ky.gov
 - Write “**Request Entrust**” on the subject line
 - For questions, contact Bob Murphy.

Reminders



Reminders

- Enter employee information on WebQE (Ceridian) for COBRA notification for the following:
 - New employees
 - Death of member
 - Divorce
 - Termination
 - Loss of eligibility
 - Beginning LWOP
- To receive or to reset a Ceridian password, contact Mamatha Kotha or Nancy Knight
 - By email Mamatha.Kotha@ky.gov or NancyL.Knight@ky.gov
 - By phone at 502-564-1205



Reminders

- Do not hold applications, add forms, or drop forms waiting on supporting documentation
- If enrolling new employees via the web, do so within 30 days of date of hire
- Do not make changes in payroll until QE has been processed in the Group Health Insurance (GHI) system



Reminders

- When smoking status is incorrect on application
 - Affidavit must be completed prior to Enrollment Information Branch processing the change
- Pended applications
 - Faxes/emails pertaining to pended applications should be directed to staff that is processing the document
- To report insurance coordinator changes
 - Complete online form at <http://kehpn.ky.gov>
 - Mail to DEI
 - Only one person can receive automated emails



Reminders

- Disabled Dependents
 - Must show proof of disability
 - Disability must have occurred prior to reaching age limit
 - Coverage may continue if dependent is already enrolled
 - May be added to plan after reaching the age limit if losing other coverage (must show proof of loss)
 - TPA reviews disability statements
 - Insurance coordinators can request (in advance) a “Certification Form” from Jeff Wiley at 502-564-1205 or jeffrey.wiley@ky.gov



Reminders

- The termination date for a Flexible Spending Account and a Health Reimbursement Account is the last day the employee worked
- Transfers
 - Do not terminate the employee's coverage on the web
 - The employee's new company is responsible for notifying DEI of the transfer
 - When the paperwork is received, DEI will terminate coverage for the employee under the prior company and will activate coverage under the new company

Reminders

- Retirement
 - Do not terminate the employee's coverage on the web
 - The retirement system will notify DEI of the employee's retirement benefits
 - When the paperwork is received from the retirement system, DEI will terminate coverage for the employee under the prior company and will activate coverage under the retirement system



Reminders

- KRS 18A.225 (12)
 - Provides that a retiree, spouse or beneficiary enrolled in a plan through any state sponsored retirement system shall not be eligible to receive an employer contribution through the active employer if there is a public employer contribution
 - Example #1:
 - Retiree is enrolled in single coverage with KRS
 - Retiree returns to work for the Education Cabinet
 - Retiree may choose to have health coverage through KRS or through the Education Cabinet
 - Retiree is not eligible to receive coverage through KRS and an HRA through the Education Cabinet
 - Retiree may enroll in an FSA through the Education Cabinet



Reminders

– Example # 2

- Retiree (over 65) receives a Medicare supplement through KTRS
- Retiree returns to work for a participating quasi agency
- Retiree is not eligible to receive any contribution toward an HRA (or any other arrangement) if there is a public employer contribution
- Retiree may enroll in an FSA through the participating quasi agency (if available)

– Example # 3

- Hazardous duty retiree is enrolled in couple coverage through KRS
- Spouse of HD retiree works for a Board of Education
- Spouse is not eligible to waive coverage and receive an HRA
- Spouse may enroll in an FSA through the Board of Education



Reminders

- If enrolling new employees on the web, do not send paper applications to DEI
- When enrolling new employees via the web, remember the following:
 - If application is signed appropriately within the deadline but you are entering the information 30 calendar days after date of hire, you must enter all demographic and enrollment information completely. If you stop during the process, the system will assign a forced waiver
 - If you are entering an application that is signed after the 30-day deadline, the system will assign a forced waiver

Reminders

- Visit our Web site

<http://kehpn.ky.gov> to find:

- All Summary Plan Descriptions (SPD)
- Explanation of benefits and exclusions
- Health Insurance Handbook
- Formulary
- FSA/HRA information
- COBRA information
- Special section for insurance coordinators
- Prior year's information



DEI Contact Information

Commissioner's Office

- **502-564-0358**

Member Services Branch

- **888-581-8834**
- **502-564-6534**
- 502-564-5278 - Fax

Enrollment Information Branch

- **502-564-1205**
- 502-564-1085 – Fax

Employee Health Insurance Wellness

- **502-564-0358**

Data Analysis Branch

- **502-564-7101**

Flexible Benefits Branch

- **502-564-0350**
- 502-564-0364 - Fax

Financial Management Branch

- **502-564-9097**
- 502-564-0715 - Fax

